

City of Mt. Angel
City Council Meeting Minutes

Approved

CITY COUNCIL

7:00 PM

December 7, 2009

The City of Mt. Angel's City Council met in a regular session Monday December 7, 2009 at the Community Meeting Room, 290 E. Charles Street, Mt. Angel, Oregon.

I. **CALL TO ORDER:** The regular meeting of the Mt. Angel City Council was called to order at 7:08 pm by Mayor Rick Schiedler.

II. **FLAG SALUTE:**
Mayor Schiedler led the salute to the flag.

III. **ROLL CALL:**

COUNCIL

Rick Schiedler, Mayor
Ray Eder, Council President
Darren Beyer, Councilor
Michael Donohue, Councilor
Kelly Grassman, Councilor
Teresa Kintz, Councilor
Andrew Otte, Councilor

STAFF

Pete Wall, Interim City Administrator
Michele Hall, Assistant to City Administrator
Brent Earhart, Police Chief
Tracy Grambusch, Finance Director
Dan Bernt, Public Works Superintendent

IV. **APPEARANCE OF INTERESTED CITIZENS:**

No citizens appeared before the Council.

V. **APPROVE ACCOUNTS PAYABLE:**

Jim Kosel had a question about the attorney fee funds. He mentioned the \$15,000 attorney bill for special counsel and the bill from Judge Paul Lipscomb of about \$2500. He wanted to know if the City went over budget on the attorney bills. Mrs. Grambusch stated that the general fund had not gone over in that line item in administration. We would need to wait until further into the year to see if there are additional legal expenses.

Councilor Donohue asked about the Caselle accounting package. Ms. Grambusch explained that it was a quarterly payment. He also asked about the PGE bills, it looks like we paid double on some of the bills. Ms. Grambusch explained that sometimes they come later in the month and it could be that the payments may have crossed in the mail. It was possible the invoice was not paid by the due date because of the way accounts payable cycles in order to get the bills and claims to council.

Councilor Beyer asked about the expense on Saratoga. Mr. Bernt explained that bill was for the telemetry system at the wastewater plant.

Councilor Donohue asked about Data 911, the Chief explained that the plan was to replace this equipment in the spring as was budgeted, but the PD was informed that as of January 1, 2010 the equipment would

no longer be available at the quoted price so they went ahead and purchased it now to save money and stay within the budget.

Councilor Grassman asked if they would be reviewing or approving accounts payable during this meeting as the council will be voting later on to change the council rules. Mr. Wall stated that at this meeting the council would need to approve the accounts payable, but starting next meeting they would be able to review them.

Councilor Grassman made a motion to remove the invoice for Debbie Grassman's Country Stitches. Councilor Donohue seconded the motion.

The motion was passed with the following vote:

AYES: 6 NAYS: 0 ABSTAIN: 0

Councilor Donohue made a motion to approve accounts payable minus the invoice from Debbie Grassman's Country Stitches. Councilor Otte seconded the motion.

The motion was passed with the following vote:

AYES: 6 NAYS: 0 ABSTAIN: 0

Councilor Donohue made a motion to approve the invoice from Grassman Country Stitches. Councilor Donohue seconded the motion.

The motion was passed with the following vote:

AYES: 5 NAYS: 0 ABSTAIN: 1

Councilor Grassman abstained

VI. AUDIT PRESENTATION: Chuck Swank from Grove, Mueller& Swank, P.C.

Mr. Swank introduced himself and stated that he was here mostly to answer the City Council's questions about the audit.

He wanted to make sure that the council understands the budgetary statements. The audit went smoothly.

One of the issues that came up was the issue of listing of capital assets records and their depreciation. It is not uncommon for small cities to have this problem because of a lack of historical records on the cost of capital assets. In the past, the firm has not given an opinion, but they made a recommendation this year to either list the depreciation amounts or choose not to list them anymore, either way would be acceptable.

The debt numbers are accurate and are listed in the report. He felt Mt. Angel was in a good position.

Mr. Swank explained the necessary disclosures. He noted a couple of over expenditures. But said the audit went well overall and they had no trouble completing the audit.

Councilor Donohue asked about the paragraph on page 25. Mr. Swank answered that with sick leave it is difficult to estimate and so that line was left blank.

There are a couple of new accounting requirements coming up that the City will have to deal with. For example in the future, the Gatsby 45 program, any retired employee will be covered by the City's health insurance at the same rate as any other employee of the city. The City will need to keep track of the estimates of expenses to cover retirees and that calculation will be required on the financial statement. He felt it would be a simple procedure to keep track of for a city the size of Mt. Angel.

Mr. Swank expressed that it is their privilege to serve the Council and invited the Council to call at any time with any questions.

Councilor Otte asked what the impact of removing the Capital Assets from the report. Mr. Swank answered that they would footnote it on the debt sheet. He said that it is difficult to decide how to best record the information to make it meaningful. He wished to express that he was not at all implying that the City does not keep very accurate records of their capital assets for insurance purposes. He felt Mt. Angel is in a very good position.

VII. CONSENT AGENDA:

- a. Approve City Council meeting minutes from October 12, 2009 meeting.
- b. Approve City Council meeting minutes from November 2, 2009 meeting.
- c. Resolution to accept grant money for the Gates Grant.
- d. Resolution to accept grant money for the Amo-Leer Grant.
- e. Resolution to accept revenue for SRO from school district.
- f. Resolution for Housing Rehabilitation transfer.
- g. Resolution extending WAVE cable franchise.

Jim Kosel asked that item 7a, the minutes for the October 12, 2009 meeting be removed from the Consent agenda pending the result of the discussion of the motion made after the executive session of that night which directed the Interim City Administrator to enter into contract negotiations with Police Chief Brent Earhart and Finance Director Tracy Grambusch. He would like the Council to vote on the minutes after that discussion takes place. Councilor Grassman asked for an explanation of his reasoning for this request. Mr. Kosel felt that the discussion of Item 10a. might change the minutes. Mr. Wall explained that Item 10 will not impact those minutes because the minutes are a reflection of what happened that night. Item 10a will be restating a motion that was made for the purpose of making the motion in an open meeting. The minutes need to reflect what action was taken that night. Mr. Kosel said he understood now.

Councilor Otte asked about the WAVE cable franchise and why we needed the 6 month extension. Councilor Grassman asked for clarification because there had been a couple of extensions and some reasons as to why it hasn't been complete. Mr. Wall explained that it is taking a little longer to get the franchise contract in order so the additional time was necessary. There is a draft on the table; it just has not been completed.

Councilor Eder asked if the concern that James Scialabba brought up requesting speed bumps or something to slow down traffic on his road had been handled. Mr. Wall explained that it had been discussed and there has been no action at this time. Some additional discussion occurred about the various challenges of controlling speed within the city. Mr. Wall said that speed bumps can be a difficult subject for cities to deal with. They shouldn't be placed on every street and evaluating which streets are appropriate is somewhat tricky. Councilor Kintz asked what we can do. Chief Earhart said that the PD has gone out there on traffic patrol in response to this complaint and they have stopped no one for going over the speed limit. He has been out before with other complainants before and showed them on radar that while they perceived that people were speeding, they were actually within the speed limit. Chief Earhart said that he was applying for a grant for the mobile speed tracking units which may help people be

more aware of their speed. Those units have been successful in other parts of the city. Councilor Kintz asked about just changing the speed limit. Mr. Wall explained that it is a fairly complicated process. Councilor Eder asked that a response be addressed back to Mr. Scialabba.

Councilor Eder asked about the school zone signs on Church Street in front of St. Mary's. He wanted to know when the school zone ended as there is no sign indicating when a person is through the school zone. Chief stated that it ends at the 25 mph speed zone sign.

Councilor Grassman asked about replacing the stop sign by the restrooms. Mr. Bernt said there has never been a sign there just the painting on the road.

Mrs. Hall mentioned that corrections to the November minutes were on the yellow sheets that the council received tonight.

Councilor Donohue asked about the Housing Rehab resolution and why we chose the Street fund for the receipt of the money. Mr. Wall answered that it was chosen as it is the fund most in need

Councilor Donohue asked, going back to the audit asked why we paid off the loan with the 3% interest rate and did not take the money and pay down the 5%. Ms. Grambusch explained that it actually did save us some money and put the City in a better financial position. Councilor Donohue asked if either of these were a bond, Ms. Grambusch replied they were not. The money that was being paid on the loan will be put into the Sludge management fund. Additional discussion ensued.

Councilor Otte moved to approve the Consent agenda. Councilor Eder seconded.

The motion was passed with the following vote:

AYES: 6 NAYS: 0 ABSTAIN: 0

VIII. CORRESPONDENCE:

The correspondence received was in the packet. No discussion took place.

IX. STAFF REPORTS:

a. Police Department

A written report by Chief Earhart was included in the council packet.

Councilor Grassman asked if we were able to hire a new officer. Chief Earhart said that they had about 4 good candidates. One of them was certified, that person is second on the hire list. Councilor Grassman asked why that person was second on the list. Chief Earhart explained that there were competing job offers with another agency.

Jim Kosel requested to speak. He thanked the police department for their great work on Kristkindlmarkt.

Councilor Beyer asked about the Kristkindlmarkt. A citizen had asked him if someone had to purchase any insurance because of the liquor out on the street. Chief Earhart and Mr. Wall explained that the Chamber had to purchase special liquor liability insurance for one day under the City's Facility Use Permit.

b. Public Works

A written report by Dan Bernt was included in the council packet.

Councilor Grassman asked what basin cleaning was. Mr. Bernt explained that it was removal of all the debris and stuff that collects in the catch basins to keep them draining properly.

Councilor Kintz asked if Public Works has a mower for the tractor. She was wondering why the park was being mowed with a small mower. There were several questions about the park mowing equipment. Mr. Bernt answered they have mower decks for all of the tractors, he would check on that.

Councilor Grassman asked how frequently they are required to collect water samples. Mr. Bernt answered that they had to take 4 samples a month. There are 15 sample sites. Councilor Grassman asked if they rotate between the testing sites or is it random. Mr. Bernt answered that they do rotate between the sites.

Councilor Eder asked if Well 6 is back online. Mr. Bernt confirmed that it was and it is working well.

Councilor Kintz asked if the Elm Street waterline project was complete. Mr. Bernt answered that it is almost complete, it is all in the ground and he has been doing his testing and sampling. Once those are complete and back, he can finish up and pave. Councilor Donohue asked if they were going to asphalt overlay the whole street or if it was just being patched. Mr. Bernt explained that it would be very difficult to redo that street. There is no base for the street, so they had the contractor dig a 5 foot wide hole and then they will pave that a wide strip down the middle of the road and the whole intersection at Taylor and Elm. But there is no base to the street and he cannot justify trying to overlay that whole street.

c. Finance

A written report by Tracy Grambusch was included in the council packet.

Councilor Eder asked what normal court revenue was. Mrs. Grambusch explained that was up significantly both for citations and collecting past due payments.

Kay Wiesner, the new accounting clerk was introduced from the audience.

X. OLD BUSINESS:

a. Reinstate motion made at October 12, 2009 meeting.

Jim Kosel asked for an explanation about the recommendation that Mr. Wall made in the Council action form. Mr. Wall explained that the ORS states that if a decision made by the governing body and is not in accordance with the ORS 192.610-192.690, the City Council may reinstate their decision. Mr. Wall read the text of the ORS. That action would deal with the allegation that was made that the action taken by the council was inappropriate.

Councilor Grassman made a motion to authorize the Interim City Administrator Pete Wall to work with Mark Amberg to prepare contract modifications to the contract extensions of Police Chief Brent Earhart and Finance Director Tracy Grambusch. Councilor Otte seconded the motion.

The motion was passed with the following vote:

AYES: 6 NAYS: 0 ABSTAIN: 0

XI. NEW BUSINESS:

a. Resolution amending Council Rules to read “Review Accounts Payable” instead of “Approve Account Payable”.

Mr. Wall explained that, as discussed previously, the council desired to review the accounts payable instead of approving them. This would help avoid potential conflicts of interests.

Mrs. Grambusch explained that to eventually simplify the process and make the reports more meaningful, there will not be a January Bills and Claims report. This would allow for a whole billing cycle to pass and for staff to make adjustments to reports so they reflect a calendar month.

Councilor Donohue made a motion pass a resolution to amend Resolution 1056 to read “Review Accounts Payable” instead of “Approve Accounts Payable”. Councilor Grassman seconded the motion.

The motion was passed with the following vote:

AYES: 6 NAYS: 0 ABSTAIN: 0

(Recorder’s note – this resolution was assigned number 1315.)

b. Motion to accept Audit

Councilor Otte made a motion to accept audit and file the Audit Report for fiscal year 08-09. Councilor Beyer seconded the motion.

Councilor Donohue asked what the auditors cost us. Mrs. Grambusch answered that it is about \$13,000. Councilor Grassman asked if we ever go out for bids. Mrs. Grambusch stated that about 3 years ago we went out for bid and they were the best deal. They give us discounts and they are familiar with our city. Mr. Wall said that the regulations have changed and it used to be that it was a good idea to change, but with the stricter financial regulations and mandates, it has become advantageous for cities to remain with the same firm for some period of time.

The motion was passed with the following vote:

AYES: 6 NAYS: 0 ABSTAIN: 0

c. Water and Sewer Rate Review.

Councilor Otte asked why we need to install a by-pass line to the nursing home. Mr. Bernt explained that their building was built during the time when it was not required. The way things stand right now, if there is a major problem or we need to replace their failing meter we would not be able to get water to them for possibly an extended period of time. Public Works would install a parallel line, but it would allow work on the waterlines without impacting their water service. Code is that any commercial building nowadays has to have a by-pass. The new addition has a by-pass but the older portion does not.

Councilor Otte asked if it is the City’s responsibility to provide that line. Mr. Bernt answered that since they were allowed to build without the by-pass and the City is mandated to provide water, he felt that the City is obligated to provide the water service because this is work that is done on our side of the meter. Councilor Grassman asked about the \$15,000 estimate. Mr. Bernt explained they are estimating on the basis of a similar project a few years ago and some conversations with contractors.

Mayor Schiedler asked about the leak this year and in other years, what was the condition of the pipes. Mr. Bernt stated the pipes are in pretty bad shape, this was the first leak they have had and they became very concerned when they dug up the pipe and saw the deterioration.

Councilor Eder asked if the convent was getting a water bill at this time. Mr. Bernt and Mrs. Grambusch explained that they still have until next year to receive free water because of Well 6. Councilor Grassman asked about the deal with the convent. Councilor Donohue explained that it was a deal between the City and the Sisters. Well 6 is on their land.

Councilor Eder asked about the fire hydrant replacement and if the money budgeted will replace all of them. Mr. Bernt explained that the \$60,000 will be able to replace the worst of them. Councilor Donohue asked about the cost of fire hydrants. Mr. Bernt answered that the cost of parts is getting more expensive and more difficult to find. New hydrants are about \$5,000. Councilor Beyer asked what parts of the fire hydrant would be replaced, all the way to the waterline. Mr. Bernt explained that the whole hydrant would need to be replaced to the main. Councilor Kintz asked if public works tested fire hydrants. Travis does do some testing sporadically. Councilor Grassman asked how many hydrants there were in town. Mr. Bernt answered about 220-230. Councilor Kintz asked if the Fire District shared some responsibility. Mr. Wall explained that it is the City's responsibility to provide the water through the City water service. The Council asked if there were any other funding sources, some ideas were discussed. Mr. Bernt explained that we were going out for a grant on a street sweeper which would enable them to offset those costs and put that money toward this area. Councilor Otte pointed out that the ISO rating is very important and would affect insurance rates. Mrs. Grambusch explained that when the Water Master Plan is complete perhaps we can go back and see if we are eligible for grants. The council asked if the plan would be done on time. Mrs. Grambusch said it is scheduled to be done in March.

Councilor Donohue asked if we were being best served by a large firm in Portland. Perhaps we should go out for a request for proposal for engineers. Councilor Grassman asked when we switched. Councilor Donohue thought about 2000 and he felt we got a lot more service from Westech. Councilor Grassman asked how long they had been working on the water master plan. Mrs. Grambusch said about a year ago. Some of the problem was our difficulty in getting all the data to them in a format they could use. The council asked what it would take to go out for a request for proposals. Mr. Wall explained that it would just take time. He felt that in this economy there would probably be several bidders. Councilor Grassman asked if we needed to wait for the budget process to go out for requests for proposals. Mr. Wall doesn't think it will affect the budget but we may want to wait until the water master plan is finished. He had a visit recently from a water utilities association that would like to help us apply for grants once the water master plan is done.

Councilor Grassman asked what a stand pipe is. Mr. Bernt explained that a standpipe is a column that helps regulate pressure. It does not increase storage volume.

Mr. Wall invited the council on a tour of the facilities if they were interested. He felt it would be particularly interesting for them to go to the sewer plant. It would be good for the council to understand the condition of the equipment, because it is getting older and almost past its usefulness.

Councilor Otte asked about the need for equipment and need to fix the road out by a sewer plant; he was asking the cost of purchasing a grader as opposed to hiring someone to grade the road. Mr. Bernt said that it is getting more and more difficult to find people to come and grade the road on a regular basis. The thought was a usable grader would assist in meeting their needs. They have been putting truckload after truckload of rock, but without the ability to maintain, it the weeds growing through the rock require more gravel to control. Councilor Grassman asked if there was any idea what the cost would be. Mr. Bernt said

he did not know for sure, but they would not consider anything over \$10,000. Councilor Eder asked if it could eventually be used to grade gravel roads within the City. Mr. Bernt said that would be part of the justification. Councilor Grassman asked if there had been some consideration of going out for an on-going contract to provide grading services. Mr. Bernt said they could look into that.

Councilor Beyer asked about the generator being down because of a power surge. He wanted to know if there was a way to surge protect the generators. Mr. Bernt said that everything is working right now. There is a surge protector on Well 6 and it doesn't always work. Additional discussion ensued.

Councilor Eder asked what I & I stood for. Mr. Bernt answered Inflow and Infiltration. It is the water coming into your sewer pipes that shouldn't. He explained that it is anything from a bad manifold to storm water backflow to tree root clogging up the pipes. It is required maintenance by DEQ. The council asked if there is grant money available. Mr. Wall explained that maintenance is rarely covered by grants. The I & I projects are continual. Just when the system is tight, it will be time to start again.

Councilor Grassman asked if during the budget time we will get this report again. In the chemicals and lab expenses, the cost has increased. She would like to see numbers and comparisons, something a little bit more concrete than what is presented. A percentage or a dollar amount would help her justify her decision and to be able to give the public better answers if we have to increase water rates.

Mrs. Grambusch explained that the carryover for sewer fund has decreased by 5%.

Councilor Otte asked about additional water storage. He wanted to know if we do not have enough or is this planning for growth. Mr. Bernt answered that there is a formula that is used to figure out the amount of storage that we should have. His perspective is that he would rather have another well than trying to build more storage into our system at this point. He talked about the wells again and the various systems that operate them in answer to other questions from the council.

Councilor Eder asked when staff was looking at raising the rates. Mrs. Grambusch said that we were usually looking at trying to get them in January or February. There was additional discussion about the rate increases and what costs are covered through the increase. Some discussion ensued about the cost of wells and Mr. Bernt stated that at this time wells cost about \$800,000.

XII. CITY ADMINISTRATOR'S REPORT:

Mr. Wall gave a verbal report.

There is a Tree of Giving at City Hall to provide for those in need. Anyone is invited to participate.

The City received notice last week that we received the street grant for W. College.

Mrs. Hall did some investigation into the City's long distance rates. Rates will be reduced from \$.11- \$.84 per minute to \$.032 through Quest.

Thank you to Teresa Kintz for decorating City Hall and to Kenny Wilson for copying the newsletter.

There have been 25 applicants for the City Administrator as of this afternoon.

Mr. Wall would like to have a pre-budget meeting aside from the regular goal setting meeting. The staff would like to develop a budget that meets the Council's goals.

XIII. CITY COUNCILOR'S REPORT:

Councilor Otte noted that Newsletter Volume 2 is finished and printed and Volume 3 is in the works. There have been a lot of good comments from the community.

XIV. MAYOR'S REPORT:

The City hosted the Small Cities Region II meeting at the Mt. Angel Sausage Co. About 15 people attended. Jennie Messmer updated us on the activities of the League of Oregon Cities. Katie Schwab presented on short term and long term funding. Scott Winkles gave a report on PERS and the rate hikes for the 2011-2013 biennium. Mt. Angel has a reserve fund so it will impact us a little less.

The Mayor asked if we had received any applications for the various committees. There had been no additional applications received at City Hall to this point. Letters have been sent out to the people that worked on the Parks Master plan and additionally in the Shopper, the newsletter, and online on the website.

Mr. Wall discussed the fact that since the Tree Board was set as an ordinance and we will need to repeal the ordinance and then re-establish the Parks/Tree Board by resolution. We will probably try to bring that forward in January.

XV. CLOSE REGULAR MEETING:

Mayor Schiedler closed the regular meeting at 9:22 p.m.

XVI. EXECUTIVE SESSION:

An executive session was called in accordance with ORS 192.660(2) (e) in order to deliberate with persons designated to negotiate real property transactions.

Opened at 9:29pm.

Closed executive session at 9:48 pm

XVII. RE-CONVENE REGULAR SESSION:

Re-convened at 9:48pm. No action was taken.

XVIII. ADJOURN REGULAR SESSION:

Mayor Schiedler adjourned the regular meeting at 9:48 p.m.

Respectfully submitted by:

Michele Hall, Assistant to City Administrator

ATTESTED BY:

Rick Schiedler, Mayor